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SECURITY INFORMATION

53877

CENTRAL INTELLIGENCE AGENCY

5 January 1952

SUBJECT: TERMS OF REFERENCE: SIE-3: EMBARGO AND BLOCKADE
AGAINST COMMUNIST CHINA

THE PROBLEM

To analyze the current status and effectiveness of trade controls with respect to Communist China, to examine the probable effectiveness of additional measures which could be taken in connection with limiting Chinese Communist imports, and to estimate Communist reaction to these measures.

ASSUMPTION

A continuation of the present situation or an intensification of the fighting in Korea.

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QUESTIONS BEARING ON THE PROBLEM

- OIR 1. What is the current status of the implementation of
 the embargo against Communist China?
 a. what are the controls now in effect?
 b. how effective are these present controls against
 Communist China?
- OIR 2. What are the causes of less than 100 percent implementation?
 how are present controls not accomplishing the
 purposes for which intended?
- OIR 3. What measures might be taken to increase the efficiency
 of the embargo?
 a. what should be done to more effectively
 implement present controls?
 b. what new controls are necessary?
 c. what other nations should collaborate in
 implementing existing and/or additional controls?
- ORR 4. Estimate the capabilities of an embargo to bring pressure
 to bear on Communist China.
 granted that a complete embargo were made as
 effective as possible, what would be the effect
 upon Communist China?

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- O/RR 5. Estimate the capabilities of a sea blockade to increase the pressure on Communist China.

this estimate should be in the alternative:

- a. including Port Arthur and Dairen in the blockade, and
- b. excluding these ports therefrom.

- O/RR 6. Estimate the effect of air attacks against rail communications and inland waterways further to increase this pressure.

no elaboration necessary - respond thereto

in accordance with the term as specified.

- OIR 7. Consider measures which the Communists would be likely to take to counter the effects of the actions in d, e, and f.

an elaboration upon the factors considered in paragraph 7 of NIE-20.

8. Tab: Weaknesses in present economic intelligence with respect to China.

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